

Article - Insurance

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§18–118.

(a) (1) A carrier may cancel, refuse to renew, or otherwise terminate long-term care insurance only for nonpayment of premiums or material misrepresentation.

(2) A carrier may not cancel a policy of long-term care insurance under this subsection for nonpayment of premiums unless the carrier provides written notice to:

(i) the insured; and

(ii) an individual designated by the insured under subsection (b) of this section to receive notice of cancellation not later than the date on which the carrier sends a second notice of the cancellation.

(b) (1) A carrier may not deliver an individual policy of long-term care insurance to an insured until the carrier has notified the insured of the option to designate in writing one individual in addition to the insured who will receive notice of cancellation of the policy for nonpayment of premiums under subsection (a) of this section.

(2) The insured may change the written designation under this subsection at any time.

(3) The written designation shall be on a form provided by the carrier that states that the insured may:

(i) designate one individual for receipt of notice of cancellation; and

(ii) change the written designation at any time.

(c) (1) Termination of a policy or certificate of long-term care insurance shall be without prejudice to any benefits payable for institutionalization if the institutionalization began while the policy or certificate of long-term care insurance was in effect and continues without interruption after termination.

(2) An extension of benefits beyond the period the policy of long-term care insurance was in effect may be:

(i) limited to the duration of the benefit period, if any, or to payment of the maximum benefits; and

(ii) subject to any policy waiting period and all other applicable provisions of the policy.

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